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Finkelstein Thompson LLP Announces Filing of Securities Fraud Class Action Against UTStarcom, Inc.

WASHINGTON, Sept. 5 /PRNewswire-USNewswire/ -- Notice is hereby given that Finkelstein Thompson LLP has filed a Class Action lawsuit in the United States District Court for the Northern District of California on behalf of a class (the "Class") consisting of all persons or entities who purchased or otherwise acquired the common stock of UTStarcom, Inc. ("UTStarcom" or the "Company") (Nasdaq: UTSI) between July 24, 2002 and September 4, 2007 inclusive (the "Class Period").

A copy of the Complaint is available from the court or from Finkelstein Thompson LLP. Please call us toll-free at (877) 337-1050 to discuss this action or to obtain a copy of the Complaint, or contact us by email at info@finkelsteinthompson.com, or visit our website at <http://www.finkelsteinthompson.com>.

The Complaint alleges that, throughout the Class Period, Defendants misrepresented and omitted material facts concerning the Company's backdating of stock option grants to its officers and executives. Specifically, Plaintiff alleges that at all times during the Class Period, UTStarcom represented that the exercise price of all stock options would be no less than the fair market value of the Company's common stock, measured by the publicly traded closing price for UTStarcom stock on the day of the grant.

However, in reality, options granted in 2002 were backdated so their exercise price correlated to a day on or near the day UTStarcom's stock hit a significantly low price for the year, or directly in advance of sharp increases in the price of UTStarcom stock.

The truth regarding the Company's option granting practices was revealed on July 24, 2007. On that date, UTStarcom announced that a review of the Company's historical stock option grant practices uncovered evidence that stock option grants were backdated. As a result of these findings, the Company further announced that its previously issued financial statements for the years 2000 through 2006 should no longer be relied upon, and would be restated by at least \$28 million. In response to this news, UTStarcom's share price fell 22%, from a close of \$4.73 on July 23, 2007 to a close of \$3.70 on July 25, 2007. The share price continued to decline thereafter.

Plaintiff seeks to recover damages on behalf of Class members and is represented by Finkelstein Thompson LLP. Finkelstein Thompson LLP has spent almost three decades delivering outstanding representation to institutional and individual clients in connection with securities and other finance-related litigation, and has been appointed as lead or co-lead counsel in dozens of shareholder class actions. Indeed, in the past decade, the firm has served in leadership roles in cases that have recovered over \$1 billion for investors and consumers.

If you are a member of the class, you may request that the Court appoint you as lead plaintiff within 60 days from the date of this Notice. A lead plaintiff is a class member appointed by the Court to direct the litigation on behalf of the class. Although a class member need not be appointed as a lead plaintiff to receive a proportionate share of any

proceeds of the litigation, lead plaintiffs make important decisions that could affect the prosecution of the class claims, including decisions concerning settlement. The securities laws create a rebuttable presumption that the plaintiff with the largest financial interest in the litigation is the most adequate to serve as a lead plaintiff.



If you are a UTStarcom shareholder and wish to discuss the case or have information relevant to the investigation, please contact our Washington, DC office toll-free at (877) 337-1050, or by email at contact@ftllaw.com.

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